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administration. It is not surprising to discover that when these instruments of royalty were swept away and the landlords came to their own in the days of Long Parliament and the Commonwealth, the position of the copyholder was more precarious than ever it had been. No wonder if the common people preferred the tyranny of an individual before the tyranny of a class and sighed for the spacious days of Queen Elizabeth.

As a whole there can be little doubt that Mr. Tawney has made a valuable contribution to English agrarian history. He is thoroughly conversant with the literature of his subject and his analysis of the work of other investigators in his field has been careful and judicious. He has done a great deal of painstaking and profitable labor in the sources as well. And he has revealed an ability, unfortunately too rare in economic historians, to assimilate his material thoroughly and to present it in a form which is at once convincing and delightful. A few books of this sort will do more to stimulate a vital interest in the problems of economic history than any number of dry and dusty monographs.

It is to be regretted that, with a single eye to the social consequences of the enclosure movement, the author has not taken sufficiently into account its importance to progressive farming. One feels that if he had done so his condemnation of the movement would have been less sweeping and his final judgment more just. The fact is that Mr. Tawney has made himself the advocate of the small holder and has turned his very considerable abilities to the task of proving that the absence of any considerable number of small holders in England today is partly due to the iniquities of the sixteenth-century landlord. One suspects that he means to deal later with the enclosure movement of the eighteenth century in a similar spirit. He is too careful a scholar to allow his partisanship to lead him far astray, but that it has in some degree diminished the value of his book as sober history is undoubted. One should read Professor Gonner's recent book along with this one before attempting to form a final judgment as to the merits and demerits of the enclosure movement.

CONYERS READ

UNIVERSITY OF CHICAGO

How to Analyze Railroad Reports. By JOHN MOODY. New York: Analyses Publishing Co., 1912. 16mo, pp. 218. \$2.00 net.

The rapid development of the railway business in the United States, together with the fact that railway stocks and bonds form a large part of all securities, has opened the way for a really serious and competent

treatise on the means of interpreting railway values. Several years ago, Mr. Thomas F. Woodlock (at that time editor of the *Wall Street Journal*) devoted nearly half of his little book entitled, *The Anatomy of a Railroad Report and Ton-Mile Cost*, to the interpretation of a railroad report. This little book, being unique, clear, and concise, proved to be of considerable value to the investing public, so that it was published a second time. However, recent accounting requirements of the Commission have rendered this work obsolete and created a demand for a modern treatise prepared in the light of the new accounting system. The book under discussion is a recent attempt by Mr. Moody to satisfy this demand.

Mr. Moody's method of presentation is similar to that of Mr. Woodlock, in that he arranges the subject-matter under the same three main headings—physical, income, and capitalization factors; but differs in that it is a more extended discussion of the subject, covering, in all, 218 pages.

In his introduction he takes occasion to emphasize the fact that rail-property is essentially "property in motion," and that the vital question at all times in railroads, as well as in other enterprises, is its efficiency (earning capacity). The discovery of the elements determining such efficiency is his task.

In discussing the physical factors, Mr. Moody dwells upon the importance of a comparative record of engines and cars, proportion of freight to all traffic, passenger and freight traffic density, average freight-train revenue-tonnage per mile, and of train-mile earnings as elements not to be overlooked by one who is endeavoring to ascertain the present efficiency of the road, as compared with operations of previous years and with those of other roads similarly circumstanced. He ventures the assertion that train-mile earnings would prove more useful, both to the railroads and to the people if the Commission should require all roads to separate passenger from freight expenditures. The significant feature of the rate situation is that the trend of rates is downward, while the trend of operating costs is upward.

In discussing the income factors the author holds that not only should earnings be judged in relation to the mileage, but that all comparisons should be made between roads situated in the same general territory, possessed of the same general characteristics, and doing the same general character of business. He considers in detail the income account of the railroad, in its various aspects, as modified by the new law, explaining in each instance the changes in method of accounting

and their significance. An outline of the new system appears as an appendix. The strength or weakness of a specific property is revealed to the investor through an examination of the maintenance-expense policy, the relation between transportation expenses and consequent efficiency, the trend of the "margin of safety," and the disposition of the surplus.

In speaking of the capitalization factors, the author puts himself on record as favoring earnings as a basis of capitalization. He says: "As we have already seen, the key to railroad values is earning capacity and nothing else. . . . Should the capitalization of the future proceed upon the principle that the unearned increment in rights of way and terminal sites is not to be regarded as the property of the railroad, and therefore not to be capitalized, we should then find that the great majority of the stocks of railroad corporations would be practically worthless. For in such an event capitalization would no longer be based on earning power, but merely on replacement value." He also takes occasion to refute the common allegation that railway stocks for the most part represent "water," by stating that a physical valuation of the railway property of the country would show a larger aggregate valuation than the sum of the stocks and bonds. He regards the balance sheet as the most important individual instrument. In discussing rentals he again asserts earning power as the sole guide in arriving at their capitalized values. The information acquired by a comparison of net income per annum with approximate net capitalization is equaled in importance by no other factor, perhaps, except the "margin of safety."

It seems that this book is a forerunner, or introduction, to Moody's *Analyses*, published annually, which contain analyses of the various railway properties over a period of years, and which is designed to facilitate the investigation of the efficiency of individual railways by investors. In justice to the essay under review, it must be acknowledged that it analyzes the railway business to an extent not similarly attempted hitherto, and contains much material not readily available elsewhere. Its insistence that all comparisons should be made between roads situated in the same general territory, possessed of the same general characteristics, and doing the same general character of business is deserving of commendation. But while the book possesses these merits, there are certain imperfections in its preparation and certain misconceptions by the author which should not go unmentioned.

In the first place, and what is most inexcusable, frequent typographical errors throughout the text give evidence of defective proof-

reading, and unconsciously cause the reader to lose confidence in its content. In the second place, the author advocates the separation of passenger and freight costs by the railways, without suggesting any means of obviating the chief obstacle that the railways would encounter in attempting to meet such a requirement, namely, the allocation of the supplementary charges. In the third place, he mentions the "great increase" in the cost of company material as a "vital factor" affecting maintenance expense. The hearings before the Commission in 1910 disclosed the fact that lumber, which the railways contended had greatly advanced in price, is now being superseded by concrete and iron in more permanent structures, and that such a substitution will probably result in a saving in the end. In the fourth place, his assertion that present railway stocks are free from "water" can hardly be accepted as proof positive until the Commission has had time to make the physical valuation recently authorized by Congress. But the author throws himself most unguardedly open to attack when he takes the stand that earnings constitute the only proper basis for railway capitalization, if he believes, as do many people, that government regulation on the basis of capitalization is imminent. To argue thus is simply to deny any right in the Commission to regulate rates. For if the Commission were obliged to rely upon earning power as its only criterion in the determination of reasonable railway charges, it would very soon find itself traveling in a vicious circle, and what would appear to be government regulation would not be regulation at all. Aside from the irregularities mentioned, the book contains much of value to the student of railway investments. It is about the only modern treatise of its kind.

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Sources of Municipal Revenue in Illinois. By LENT DAYTON UPSON. ("University of Illinois Studies in the Social Sciences," Vol. I, No. 3.) Champaign, Ill.: University of Illinois, 1912. 8vo, pp. 126. \$0.75.

The different sources of municipal revenue with the problems relating to each are treated in this work under six heads, each constituting one chapter, as follows: "Property Taxation," "Licenses and Police Fines," "Gifts, Grants, and Subventions," "Revenue from Services Rendered" (Fees, Special Assessments, etc.), "Municipal Industries and Properties," and "Loans." These are followed by a seventh chapter of "Summary and Conclusions." Embraced